

Additional Information Regarding Proposed Title V Fee Rule Changes

Read into record during November 9, 2017, public hearing

James P. Johnston, P.E.

Deputy Director, Tennessee Division of Air Pollution Control

Subsequent to issuance of the public notice regarding amendments to the Title V fee rule, the Division of Air Pollution Control has received updated financial information that necessitates revisions to the dollar per ton rates contained in the proposed Title V fee rule revision. This additional information is as follows:

APC has received revised final fiscal year 2017 expenses from the original figure of \$6,233,551 to a revised figure of \$5,689,958. The revised fiscal year 2017 expense figure will result in lower projected expenses for fiscal year 2018, which in turn will result in a larger reserve at the beginning of fiscal year 2019. The revised fiscal year 2017 expense figure will also result in lower projected expenses for fiscal year 2019.

The amount of 2017 fees that were received after June 30, 2017, has increased from \$1,737,769, as was presented to the Air Pollution Control Board on September 13, 2017, and utilized in the September, 2017, proposed Title V workload analysis, to a more recent figure, as of September 30, 2017, of \$1,903,978. Receipt of these additional fees should result in a larger reserve at the beginning of FY2019.

As a result of this updated financial information, the assumptions utilized in calculating the required dollar per ton rates in the proposed Title V fee rule revisions have changed as follows:

The estimated amount of the reserve at the beginning of fiscal year 2019 has increased from \$800,000 to \$1,880,000. The estimated fiscal year 2019 expenses have decreased from \$6,700,000 to \$6,300,000. All other assumptions utilized in calculating the proposed dollar per ton rates remain unchanged.

All of the previous information was made publicly available during the Division's October 26, 2017, webinar on the proposed Title V rule changes and posted on the proposed Title V fee rule website prior to the webinar. These changes were also incorporated into a revised 2019 Fee Analysis Workbook that was posted on the proposed Title V fee rule website prior to the October 26th webinar.

As a result of this additional information, the Division has revised the dollar per ton rates contained in the proposed rule to the following:

Proposed rates based on an EGU to non-EGU ratio of 1.4 to 1, an Actual to Allowable ratio of 1.325 to 1, a minimum fee of \$7500, and a base fee of \$4000, which counts toward the minimum fee:

\$36.00/ton for non-EGU allowable emissions

\$50.50/ton for EGU allowable emissions

\$48.00/ton for non-EGU actual emissions

\$67.00/ton for EGU actual emissions

Alternative proposed rates based on EGU to non-EGU ratio of 1.4 to 1, Actual to Allowable ratio of 1.6 to 1, a, minimum fee of \$7500 and a base fee of \$4000, which counts toward the minimum fee:

\$33.50/ton for non-EGU allowable emissions

\$47.00/ton for EGU allowable emissions

\$53.50/ton for non-EGU actual emissions

\$75.00/ton for EGU actual emissions

In light of this additional information, the Division will be extending the comment period on the proposed Title V fee rule revisions until the close of business on Thursday, November 16, 2017. The extension of this deadline will be posted on TDEC's Public Participation web page for air quality public hearings.